

TO: James L. App, City Manager  
FROM: Jim Throop, Director of Administrative Services  
SUBJECT: Budget Appropriation for Fiscal Year 2011 Encumbrances  
DATE: March 1, 2011

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Needs: For the City Council to consider approval of carry-over appropriations for fiscal year 2011 encumbrance requests.

Facts:

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year just ended June 30, 2010. Carry-over appropriations are *not* new requests. They represent previously approved Council budget appropriations for projects and/or equipment purchases that were not completed in the prior budget year.
2. It has been past practice to limit carryovers to one-time expenses such as capital outlay, capital improvements, special consultant services, etc.
3. Carry-over requests total \$2,217,300 of which \$70,400 is for the General Fund. Refer to attached Exhibit "A" for full details.

Analysis & Conclusion: Encumbrances (carry-over requests) are recorded upon the financial records of the City as budget adjustments in the fiscal year they are planned for expenditure and, subsequently, as an expense only when they are actually expended. For example, if there were a budget appropriation to replace the air conditioner at city hall and the work contract had not yet been let, the appropriation would NOT be included in year end results as an expenditure or payable. However, budget appropriations in the following year would be increased by the unspent amount and, when the expenditure is actually made, recorded against the year end result for that fiscal year.

Fiscal Impact: Generally accepted accounting principals (GAAP) do not recognize the use of reserves/savings when measuring or reporting year end results. Thus, approved carry-over requests reduce year end operating results in the year into which they are carried forward. In this case, it would be fiscal year 2011.

Of the \$2.2 million in carryover, over \$2.1 million is for non-general fund related projects that were not completed in the prior fiscal year. For the General Fund, the impact is only \$70,400. Current year-end projection for the General Fund is a negative \$1.9 million, which will be covered using reserves.

The projects associated with the \$70,400 are listed on the attached Exhibit A..

Options:

- a. Adopt Resolution No. 11-xxx approving budget appropriations for fiscal year 2011 carry-over requests; or
- b. Amend, modify, or reject the above option.

**RESOLUTION NO. 11-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
APPROVING BUDGET APPROPRIATIONS FOR  
FISCAL YEAR 2011 BUDGET CARRY-OVER REQUESTS**

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WHEREAS, the City has historically recorded encumbrances (carry-over requests) as budget appropriation increases in the subsequent fiscal year; and

WHEREAS, said requests have not yet been formally approved by the Council; and

WHEREAS, it is desirable to formally approve appropriations to be added to the fiscal year 2011 budget.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the encumbrances (carry-over) requested in the attached Exhibit "A" are approved and shall be added to the fiscal year 2011 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 1st day of March, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Duane Picanco, Mayor

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Caryn Jackson, Deputy City Clerk

**EXHIBIT "A"**  
Schedule of Carry-over Appropriations  
from  
FY 2010 to FY 2011

<b>Department</b>	<b>GL Account</b>	<b>Description</b>	<b>Appropriation</b>
City Manager's Office	100-130-5235-120	GIS_IMS Server	\$ 9,000
City Manager's Office	100-130-5235-773	Salinas River Project	19,100
Public Works	100-310-5221-173	Diving Board Stands	30,000
LRS	100-411-5212-286	Park/Recreation Volunteer Program	400
Community Development	100-710-5224-212	National Flood Insurance Program	5,700
Community Development	100-710-5224-771	Purple belt	6,200
		Subtotal General Fund	70,400
City Manager's Office	112-130-5454-116	Computer Equipment Replacement	1,600
City Manager's Office	112-130-5454-120	Computer Equipment Replacement	32,600
City Manager's Office	112-130-5454-121	Computer Equipment Replacement	2,300
Administrative Services	112-140-5454-125	Computer Equipment Replacement	14,800
Administrative Services	112-140-5454-134	Computer Equipment Replacement	2,400
Police Services	112-210-5454-135	Computer Equipment Replacement	8,500
Police Services	112-210-5454-136	Computer Equipment Replacement	9,400
Police Services	112-210-5454-137	Computer Equipment Replacement	11,800
Police Services	112-210-5454-138	Computer Equipment Replacement	2,300
Police Services	112-210-5454-139	Computer Equipment Replacement	24,500
Police Services	112-210-5454-140	Computer Equipment Replacement	1,600
Emergency Services	112-220-5454-150	Computer Equipment Replacement	14,500
Emergency Services	112-220-5454-151	Computer Equipment Replacement	2,600
Public Works	112-310-5454-171	Computer Equipment Replacement	1,600
Public Works	112-310-5454-217	Computer Equipment Replacement	4,600
Public Works	112-310-5454-284	Computer Equipment Replacement	1,600
LRS	112-411-5454-180	Computer Equipment Replacement	1,600
LRS	112-411-5454-183	Computer Equipment Replacement	6,300
LRS	112-411-5454-184	Computer Equipment Replacement	1,600
LRS	112-411-5454-185	Computer Equipment Replacement	3,100
LRS	112-411-5454-189	Computer Equipment Replacement	7,900
LRS	112-411-5454-199	Computer Equipment Replacement	2,400
LRS	112-411-5454-200	Computer Equipment Replacement	1,600
LRS	112-411-5454-202	Computer Equipment Replacement	1,600
LRS	112-411-5454-203	Computer Equipment Replacement	1,600
Public Works	112-310-5454-191	Computer Equipment Replacement	1,600
Public Works	112-310-5454-196	Computer Equipment Replacement	5,300
Community Development	112-710-5454-209	Computer Equipment Replacement	3,100
Community Development	112-710-5454-212	Computer Equipment Replacement	1,600
		Subtotal Equipment Replacement Fund	176,000
Public Works	206-140-5454-130	Bus retrofits from FY 2008	54,000
		Subtotal Transit Operations Fund	54,000
Community Development	212-140-5224-125	Development Impact Fee - Proforma Analysis	7,300
Community Development	212-140-5224-125	AB 1600 Study	20,000
		Subtotal Fire Protection Facilities Fund	27,300
Community Development	224-140-5224-125	Development Impact Fee - Proforma Analysis	7,300
Community Development	224-140-5224-125	AB 1600 Study	20,000
		Subtotal Public Facilities Development Fund	27,300
Community Development	227-710-5454-211	Computer Equipment Replacement	1,600
Community Development	227-710-5235-548	First Five Center Demolition and Site Preparation	36,700
		Subtotal CDBG Grant Fund	38,300
Community Development	231-140-5224-125	Development Impact Fee - Proforma Analysis	7,300
Community Development	231-140-5224-125	AB 1600 Study	20,000
		Subtotal City Hall/General Gov't Facilities Fund	27,300
Public Works	600-140-5454-127	Computer Equipment Replacement	14,100
Public Works	600-310-5221-165	Orchard Bungalow Booster Station Kit for Pumps	5,100
Public Works	600-310-5224-165	PR Basin Water Balance Report	5,000
Public Works	600-310-5224-165	Professional Services County WRAC	8,300
Public Works	600-310-5224-165	Professional Services County Ground Banking	2,100
Public Works	600-310-5224-165	Support Services Groundwater Basin Mgt	3,900
Public Works	600-310-5224-165	Engineering Services 2010 Urban Water Mgt Plan	56,100

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from  
FY 2010 to FY 2011

<u>Department</u>	<u>GL Account</u>	<u>Description</u>	<u>Appropriation</u>
Public Works	600-310-5224-165	12th Street Booster Station Reconfiguration	900
Public Works	600-310-5224-165	Hydraulic Modeling for 21st Street Reservoir Outage	4,800
Public Works	600-310-5224-165	2008 Water Rate Study - TJ Cross	24,400
Public Works	600-310-5224-165	2008 Water Rate Study - Kennedy/Jenks	4,200
Public Works	600-310-5224-165	General Engineering Support TJ Cross	6,800
Public Works	601-310-5524-165	EIR for Youth Authority Conversion	600
Public Works	600-310-5224-458	AB3030 Groundwater Basin Mgmt Plan	112,200
Public Works	600-000-4617-000	AB3030 Grant Revenue	(112,200)
Public Works	600-310-5235-165	Ronconi Wells Microfiltration Systems	2,000
Public Works	600-310-5235-165	Completion of Water Well Policy	1,800
		Subtotal Water Operations Fund	<u>140,100</u>
Public Works	601-310-5454-164	Computer Equipment Replacement	1,600
Public Works	601-310-5224-164	General Engineering Support TJ Cross	6,800
Public Works	601-310-5224-164	EIR for Youth Authority Conversion	600
Public Works	601-310-5454-163	1 Ton Pickup w/Service Body w/Crane	57,500
		Subtotal Sewer Operations Fund	<u>66,500</u>
Community Development	700-810-5224-548	First Five Center - RDA Fund	240,900
Community Development	700-810-5235-240	Uptown/Town Centre	1,049,200
		Subtotal RDA Operations Fund	<u>1,290,100</u>
Community Development	701-810-5235-442	Oak Park Senior Housing (LMIH Funds)	300,000
		Subtotal RDA Low/Moderate Income Housing Fund	<u>300,000</u>
			<u>\$ 2,217,300</u>
		100 General Fund	\$ 70,400
		112 Equipment Replacement Fund	176,000
		206 Transit Operations Fund	54,000
		212 Fire Protection Facilities Fund	27,300
		224 Public Facilities Development Fund	27,300
		227 CDBG Fund	38,300
		231 City Hall/General Gov't Facilities Fund	27,300
		600 Water Operations Fund	140,100
		601 Sewer Operations Fund	66,500
		700 Subtotal RDA Operations Fund	1,290,100
		701 Low/Moderate Income Housing Fund	300,000
			<u>\$ 2,217,300</u>